

PP0 255-9-2

Top Secret

NOTE: An asterisk after an entry indicates the material has been added since the Chronology was printed and given to the Board on 1-14-87.

EXCERPTS FROM STAFF CHRONOLOGY THAT REFERENCE MEESE

January 19, 1985

Poindexter signs a transmittal letter for NSDD-159 on Covert Action Policy Approval and Coordination Procedures to the following offices: the Vice President, the Secretary of State, the Secretary of Defense, the Attorney General, the Director of OMB, the Director of Central Intelligence, and the Chairman, Joint Chiefs of Staff.

The NSDD states that "to ensure that all means are considered and utilized effectively to serve policy purposes, there is a need to review fully and integrate covert with overt activities." The NSDD tasks the National Security Council to "coordinate all of the instruments of US national security," but gives the President the authority to "decide which purposes can best be accomplished by covert action."

The NSDD establishes a detailed procedure for Findings, inter-agency coordination and review procedure, and the notification of Congress. (NSDD-159 dated 1/18/85 and transmittal memo dated 1/19/85)

June 7, 1985

North memo to McFarlane recommends and McFarlane approves a plan to bribe Mousawi family guards, a Syrian general, a local judge, political official, and various other contacts (a total of about \$2 million that had been donated by a private individual believed by us to be Ross Perot -- see August 6, 1985 entry) in order to free two hostages. The note contains the phrase that "the hostages can be bribed free for \$1 million a piece." McFarlane approves the plan and contacts the Attorney General regarding the temporary detail of two DEA officials to NSC to work on this project. (North 6/7/85 memo to McFarlane)

October 6, 1985

North advises Allen that Ghorbanifar and Nimrodi will be arriving in the US on October 7

25X1, E.O.13526

Withheld under statutory authority of the
Central Intelligence Agency Act of 1949 (50
U.S.C., section 403g)

(CIA IG chronology)

14 November, 1985

Poindexter requests the finding be sent to Vice President, Shultz, Weinberger, Casey, Meese and Regan. (Prof note from Paul Thompson to North)

January 7, 1986

President, VP, Regan, Shultz, Weinberger, Meese, Casey, Poindexter meet to discuss overall situation in Iran and prospects for a strategic dialogue. It was noted again that McFarlane, on returning from his December 5 London trip, had recommended no further action unless US could exert better control over events. He had agreed with Casey, however, that providing limited quantities of arms after hostages were released still had merit. Shultz and Weinberger objected to any provision of arms, citing that the US could not be sure that these would really help moderate elements and that, if exposed, the project would not be understood by moderate Arabs and would be seen as contravening US policy of not dealing with states that support terrorism. President decides to keep Israeli channel active as long as it offered possibilities for meetings with high-level Iranian officials and left open the issue of providing arms to Iran if the hostages were released.

President makes clear that a dialogue with Iran is not possible unless it uses its influence to achieve release of hostages. (North: "He also made clear that we could not and would not engage in trading arms for hostages." Note: This contradicts North's earlier unedited chron. which states: "In January, the President approves the operation to work with the Iranians for the release of hostages in return for military equipment. The CIA is asked to provide logistical and operational support." This latter interpretation is supported by text of Finding.) Shultz and Weinberger remain opposed to transferring arms to Iran but Meese and Casey both support the concept as a valid means of opening the dialogue. Meese notes a 1981 French Smith determination that transferring small quantities of arms through third countries under a Covert Action Finding was not illegal.

In response to a DCI request for legal advice on a US Govt. operation involving the transfer of military equipment to Iran, CIA OGC attorneys prepare working papers for Sporkin. (CIA IG Rot. Chron., p. 14.)

January 16, 1986

A meeting is held in the National Security Advisor's (Poindexter) office with Weinberger, Meese, Casey and CIA General Counsel Sporkin. The final draft of the Covert Action Finding was reviewed and forwarded to the President with Weinberger dissenting. (NSC Chron, Hot Docs.)

Shultz is scheduled to attend but could not. Delaying Congressional notification of a Finding is discussed. The Secretary of Defense asks if he can discuss DOD's role with his legal counsel. (Subsequently, DCI advises Sporkin of DOD's concurrence.) (CIA IG Rpt. Chron., p. 15.)

March 7-8, 1986

A North action memo is addressed to Poindexter entitled "Rescue Operation for Peter Kilburn," asking to transmit a memo to Weinberger regarding formal tasking on the need for immediate liaison between DOD and CIA in planning a rescue operation for Peter Kilburn. It notes that the OSG (Operations subgroup of the TIWG) has endorsed a plan to exchange through a proven Canadian interlocutor, \$5 million "in what the captors would believe to be valid US currency. The Secretary of the Treasury, the Attorney General and the President have authorized a chemical defacement of the bills so that they cannot be used as legal tender." The exchange is to take place off the coast of Lebanon. (Hot Docs. Chron.)

21 November, 1986

Meese, in preparing for Casey testimony, sees discrepancies in the amounts of money involved versus the volume of equipment provided. Goes with Regan to the President who says "well, gee, you'd better get on this right away and find out what the hell is going on here." At Regan suggestion decision deferred for discussion on Monday to give Justice weekend to review.

(Regan SRB interview)

24 November, 1986 *

Furmark meets with Casey for an hour at Langley because the DCI had just announced that they had received \$12 million for the shipments. Furmark goes over the dates of the transactions with Casey and the proximity of payments to CIA coming one day after Khashoggi makes deposits into Lake Resources' account as follows:

February 1986, Khashoggi pays \$10 million to Lake
CIA gets \$3.75 million

May 15 1986, Khashoggi deposits \$15 million with Lake
May 16 1986, CIA gets \$6.25 million

CIA also got \$2 million on the November deal which in Furmark's understanding did not involve Ghorbanifar
(Furmark is wrong on this point)

The bottom line of their review is that there is \$15 million of Khashoggi's money unaccounted for. Furmark adds that "It was at this meeting I told (Casey) that Ghorbanifar believed that some of the money may have gone to the contras." Casey then tries to call Don Regan who is not in, then gets through to North. Casey tells Furmark that North says "Tell the man that the Israelis owe (corrected by Furmark to) the Iranians owe the money." Casey then

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checks Lake Resources with one of his staff and the only record they have of it is from what Furmark told them about the account on 7 October. After talking to a Mr. Cooper at Justice, Casey recommends that Furmark take his case to Ed Meese but Furmark says "I'm dealing with you; you're the Government and there's no need for me to see him unless you think I should."

(SRB Furmark Interview)

25 November *

DCI sends letter to the Attorney General a letter detailing Furmark's information and related memoranda from Allen and Cave.
(CIA IG Report)

24 November

Meese tells the President, after having met with Poindexter, that "some monies may have been diverted from an overcharge of the Iranians into secret Swiss accounts and then to the contras." The President was horrified...he couldn't believe it. Reagan decides to go public and quickly. Decision that President will make announcement and that Meese will provide the details.

25 November

Handwritten notes in preparation for Attorney General's press conference found in Earl's office. Amendment indicates that President knew of both shipments.

25 November

Poindexter resigns, North reassigned to DOD
(McDaniel Chronology)